

8 GENERAL MANAGER

8.1 Station Street Upgrade Project

Report Author: Acting Deputy General Manager Operations, Finance and Risk
Authoriser: Acting General Manager

PURPOSE

The purpose of this report is to provide an over-arching account of the Station Street Upgrade project, including the project history, the current direction of Council and the significant challenges which would need to be addressed for the project to proceed.

The report provides direction on the necessary resolutions which would need to be adopted by Council to not proceed with the proposed works program.

RECOMMENDATION

THAT:

1. Council no longer proceed with the Station Street Upgrade Project due to insufficient funding, time constraints, and uncertainty regarding the concurrent approval of other agencies.
2. The Station Street Upgrade Project be formally removed from Council's Delivery Program, Operational Plan, Budget and Capital Works Program.
3. No further financial commitments be made towards the Station Street Upgrade Project; with the exception of any outstanding costs in relation to design and investigation, where services have already been provided.
4. Council formally advise Infrastructure NSW of its decision to not proceed with Station Street Upgrade Project, and to commence the process of withdrawing from the \$7.5 million funding agreement.
5. Council formally advise Transport Asset Holding Entity of its formal decision to withdraw from the Memorandum of Understanding in relation to commuter parking at the Bowral and Mittagong train stations.
6. Council formally advise the Office of Local Government of its decision to remove \$3.884 million in loan borrowings (in relation to the Station Street Upgrade Project) from its annual loan borrowings return.
7. Council formally write to the relevant State Agencies in relation to its decision to not proceed with the Station Street Upgrade Project, including those agencies which are currently assessing grant submissions to address the funding shortfall for the project.
8. A further report be presented back to Council regarding road pavement improvements, parking formalisation, streetscape improvements along Station Street, subject to the availability of funding once all funding agreements have been terminated.
9. A further report be brought back to Council with respect to preparing a Bowral CBD Masterplan.

REPORT

BACKGROUND

The Bowral Distributor Project, or the Station Street Upgrade project as it is now known, was initially described in the Bowral Traffic and Transport Strategy in 2012. The need to address traffic congestion through the Bowral Town Centre was supported by both the Bowral Chamber of Commerce and the Southern Highlands Ratepayers Association.

In peak periods, key roads within the Bowral Town Centre experience significant traffic congestion, particularly along Bong Bong Street and Station Street. At the same time, other streets are underutilised due to restrictions placed on traffic movements at key intersections, forcing traffic onto neighbouring streets and further exacerbating congestion in those areas.

Both congestion and avoidance have a consequential negative impact on the commercial viability of businesses in those areas.

Council has assessed several options for relieving traffic congestion and re-invigorating under-utilised roads to support Bowral's future economic growth and determined that the upgrading of Station Street to four lanes delivers the most network efficiency benefits.

Subsequently, a grant was successfully obtained via the Restart NSW Fund in July 2015, based on broad estimates undertaken. This estimate was prepared without any thorough investigation, feasibility or scoping of the requirements.

Following receipt of the formal instrument and the execution of the Deed, Council commenced the detailed design process which included further consultation with key stakeholders particularly pertaining to land acquisitions. This process became extremely protracted with a reluctance from Sydney Trains to commit to negotiations.

During design development in 2017, Council proceeded with an extensive community consultation process. Following on from the Bowral Town Centre, Traffic and Parking Strategy in 2012, Council publicly exhibited plans, sought feedback from businesses and residents, conducted face-face community engagement meetings and opened a shop front in Bowral where the public could engage with Council staff. Key issues were raised, tabled and considered in the overall design.

In May 2018 an independent Deep Dive review was commissioned by Infrastructure NSW (iNSW) which indicated that the project as currently scoped was well considered and an appropriate solution, has considerable merit and should be expedited.

The project has undergone minor design changes based on the requirements resulting from negotiations with Sydney Trains and Transport for NSW (TfNSW), but fundamentally remains the same in terms of the objectives as outlined in the Funding Deed and the Deep Dive Review.

PROJECT OVERVIEW

Bong Bong Street (State Road – MR260) is the main arterial road through the Bowral Central Business District. This section of road is not capable of providing reliable access through most times of a normal weekday or weekend. Traffic moves slower during peak



demand which includes weekday morning, afternoon, Saturday and increasingly on Sunday mornings.

Station Street (unclassified Regional Road – MR7639) has been acting as the town centre by-pass since the early 1980's. This is a simple two lane (one lane in each direction) local road that is operating close to capacity (exceeding capacity at key intersections) during peak periods.

The Station Street Upgrade Project Stage 1, extending from Victoria Street to Bowral Street, is considered as a critical part of a larger network upgrade proposal that will ease congestion on Station Street and the key access points to the Bowral CBD.

The Project would facilitate traffic circulation throughout the CBD. Future work includes the extension of the Project south, via Railway Road to form a large roundabout at the intersection with Moss Vale Road and Links Road, however this is considered by traffic analysts as a lower priority than Stage 1. Traffic analysis also confirms that proceeding with this section of the upgrade, before Stage 1 would only increase traffic congestion along Station Street and Bong Bong Street.

Traffic advice has been provided that, once upgraded, Station Street will become a freer flowing route and be better able to meet the peak period demands. The Project is designed to meet TfNSW specifications and potentially suitable to be re-classified as the State Road (with associated de-classification of the relevant section of Bong Bong Street to a local road) upon completion.

The Project was originally included as essential infrastructure in the 2012 Bowral Parking, Traffic and Transport Strategy, which was adopted by Council. The NSW Roads and Maritime Services (now TfNSW) provided a significant financial contribution towards the traffic surveys and modelling undertaken and endorsed the strategy.

PROJECT DESIGN VALIDATION

The Project was developed through detailed and extensive traffic modelling of the Bowral CBD and surrounds. The modelling has been undertaken using both a strategic (TRACKS) model, based on Census data and microsimulation (PARAMICS) modelling, based on outputs from the strategic model. The PARAMICS model also utilised extensive traffic, parking and travel time surveys of the Bowral CBD and surrounding road network. Recent analysis using SIDRA Network has supported the findings of the earlier PARAMICS modelling, with more recent traffic counts being used in the analysis.

In summary, the Project has been identified, and supported by the TRACKS and PARAMICS modelling, confirmed and refined through SIDRA Network analyses of the AM and PM peak periods (projected 15 years), to be the key road infrastructure improvement that will underpin the development and economic viability of the Bowral CBD over the long term and address a key restriction in this important regional corridor of the Wingecarribee LGA.

The delivery of the Project has been delayed by a number of factors, but primarily due to protracted negotiations with Sydney Trains and addressing, to their satisfaction, impacts that earlier proposals of the Project had on rail commuter parking.

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Formal commuter parking has been resolved through the formal Memorandum of Understanding (MoU) entered into with Transport Asset Holdings Entity (TAHE). Council also planned to construct an off-street rail commuter car park at Mittagong Station under this MoU.

PROJECT DELIVERY

Delivery of the Project in a confined and well-developed road corridor has been challenging and required negotiations with a number of private land holders and government agencies.

Addressing the specific requirements of key stakeholders has been complex and protracted. Whilst some elements of the original concept have varied to accommodate various stakeholder requirements, Council has been diligent to ensure that the variations have not compromised the key objectives of the concept – that being, network safety, network efficiency (meeting increased traffic demands over the long term), improved access to key land uses along the route (in particular the Bowral Railway Station) and facilitating wider CBD traffic circulation and distribution.

Council recently reviewed the suitability of the project by analysing recent data. The methodology used is through the SIDRA lane based, signalised and un-signalised network analysis (widely used by road authorities across Australia).

Applying aggressive growth to base traffic volumes over 15 years, the suitability of the Project to meet the increased demand has proven to be positive and confirms that the project will meet the existing and future demands of the Bowral CBD and wider region on the Project's proposed network changes, as reflected in the construction details.

ALTERNATIVE PROPOSALS

Responding to a number of requests from members of the community, other “notional” options along Kirkham Road have been investigated. Options considered have included significant rail overbridges at the southern end of the CBD. Strategic TRACKS modelling shows that the options would not attract sufficient volumes of traffic away from the CBD.

Upon further consideration, a road overpass of the Main Southern Railway connecting to Kirkham Road, in order to maximise attraction to the route, would need to be configured to have priority over Station Street at the key intersection of Kirkham Road and Wingecarribee Street, which would likely be detrimental to the operation of the Bowral CBD network and would also likely be a negative influence on the CBD economy.

While detailed costings have not been undertaken, it is likely that costs to deliver an alternate option would be significantly greater than the current project and would also adversely impact a number of commercial, industrial and residential properties.

Modelling indicates that options to cross the Main Southern Railway would be ineffective in reducing traffic in the CBD and would likely exacerbate congestion delays in parts of the Bowral CBD.

PROJECT COST AND FUNDING (FINANCIAL RISK)

Council engaged specialist consultants to undertake full construction documentation, which is now complete. The total project cost based on independent quantity surveyor costings is

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\$36 million (P90 confidence estimate). This includes the quantity surveyor estimates, works undertaken to date and a provision for project management costs.

The revised design level cost estimate was significantly higher than the preliminary cost estimate. This was attributed to the complexity of the project, time delays and cost escalation.

The current approved budget for the Station Street project is \$18.262 million. Expenditure incurred to date on the project is \$3,054,266.

The project funding strategy is as follows:

Source	Funding
Infrastructure NSW Grant	\$7,500,000
Proposed Loan Borrowings	\$3,884,000
Section 7.11 Contributions	\$2,000,000
General Fund Untied Revenue	\$1,851,000
Internal Cash Reserves	\$3,027,000
	\$18,262,000

There is a funding shortfall of \$17.7 million for the project based on the \$36 million estimate.

Council has subsequently submitted two grant applications to address the shortfall in funding. The outcome of these applications is pending. However, even in the event that Council was successful in obtaining the additional funding required for the project, the additional challenges discussed in the next section of this report, would place an unacceptable level of risk on Council being able to deliver this project.

DELIVERY RISK

Council has entered into a MoU with TAHE following two years of protracted negotiations. The MoU requires that the Project be finalised within two years of the date of the MoU which is 18 December 2022. This timeframe is a major risk to the successful delivery of the project. It is unlikely that the project will be completed within this timeframe if it was to proceed.

This is particularly relevant when considering the complexity of the project delivery. Delivering a large-scale road project within an existing high use roadway needs careful planning to maintain flow and safety while ensuring the completed project meets the quality expectations.

Council has increased its project delivery capacity and capability within recent years, however a project of this magnitude and complexity would traditionally be delivered by a state authority such as TfNSW or Public Works Authority.

Furthermore, there are numerous hurdles that are yet to be resolved with third party authorities that require detailed design finalisation and completion prior to obtaining approvals.

A further risk to delivery is the issue surrounding the proposed removal of the eight Western Pin Oak trees. This avenue of trees is highly regarded by the community with historic

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significance and the suggested removal has been a source of contention from parts of the Bowral community.

The resolution of concerns held by Sydney Trains had unfortunately forced the minor realignment of the road and roundabout approaches. This has had a drastic impact to the western alignment of the highly valued Pin Oaks. The original design anticipated that at least two potentially five Pin Oaks would need to be removed. The latest design approved by Sydney Trains now impacts all eight of the western Pin Oaks.

An arborist has assessed that even though three of the Pin Oaks are not within the road footprint, the required construction will create significant root damage and severe trimming will be required to establish road way clearance heights. Couple these impacts with the prevailing winds it is unfortunate and inevitable, the risks associated with the retaining of these trees was unacceptable.

Council has not taken this lightly and has worked closely with the consulting arborist to carefully assess the impact. Advice provided was that the eight Pin Oaks on the western side are currently suffering from significant die-back due to their current environment/location and will present a real and substantial safety hazard if retained.

The Arborist report has recently been made public through the release of documentation in relation to the project on Council's website.

Community concerns have played a vital role in the design development of the project. Issues raised have included investigating other options which has been addressed earlier in this report.

Further comments have suggested that the upgrade would not address the traffic congestion and that this project is only a beautification of current conditions. Council has on numerous occasions substantiated the validity of the project by way of modelling data and application of best practice traffic engineering analysis.

Loss of car parking has also been widely criticised by the community. The immediate loss of 70 spaces at the adjacent rail station carpark (on Council land) has been questioned. Surveys undertaken have suggested that the provisioned parking not only required by Sydney Trains, but also supported by data indicate that the commuter parking proposed is adequate for rail commuters.

Furthermore, the Station Street Upgrade project along with associated works in the Bowral CBD, such as the Wattle Lane parking extension, will provide more parking spaces in total than currently exist.

Despite these mitigating factors, there remains a genuine and growing concern within parts of the community that this project is not warranted. This will add significant risk to the Project's successful delivery should it be continued.

PROPOSED WAY FORWARD

Due to the unlikely delivery of Stage 1 by 18 December 2022, as required by the MoU with Sydney Trains, and due to the funding shortfall, it is recommended that Council not proceed with the Station Street Upgrade Project.

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This would involve Council formally removing the Station Street Upgrade Project from its Delivery Program, Operational Plan, Budget and Capital Works Program.

No further financial commitments would be made towards the Station Street Upgrade Project; with the exception of any outstanding costs in relation to design and investigation, where services have already been provided.

Council would need to formally advise iNSW of its decision to not proceed with Station Street Upgrade Project, and to commence the process of withdrawing from the \$7.5 million funding agreement.

Council would need to also formally advise TAHE of its formal decision to withdraw from the MoU, in relation to commuter parking at the Bowral and Mittagong train stations.

Council would also be required to formally advise the Office of Local Government of its decision to remove \$3.884 million in loan borrowings (in relation to the Station Street Upgrade Project) from its annual loan borrowings return.

To ensure this position is more broadly understood by key stakeholders, Council would need to formally write to the relevant State Agencies in relation to its decision to not proceed with the Station Street Upgrade Project.

It would also be recommended that Council take a broader view of the entire Bowral CBD, and that a further report be brought back to Council that would consider the development of a long-term Masterplan for the Bowral CBD, which not only considered major traffic improvements, but also other placemaking aspects such as streetscape, public domain areas and other non-traffic related access and linkages.

As an immediate priority, it would be recommended that a further report be presented back to Council regarding road pavement improvements, parking formalisation, streetscape improvements along Station Street, subject to the availability of funding once all funding agreements have been terminated.

Council would also need to advise the relevant government agencies which are evaluating Council's grant submissions in relation to the shortfall of funding for the project, that the submissions are to be withdrawn as Council is no longer proceeding with the project.

COMMUNICATION AND CONSULTATION

Community Engagement

Community engagement has been undertaken at various stages during the design of this project. No further community engagement is required should Council resolve not to proceed with the project.

Internal Communication and Consultation

Assets, Project Delivery and Finance.

External Communication and Consultation

Documentation relating to the Station Street Upgrade Project was placed on Council's website following the directive issued by the Interim Administrator at the Council Meeting held 21 April 2021.

Subject to the decision of Council in relation to the status of this project, the relevant government agencies will be advised of this direction.

SUSTAINABILITY ASSESSMENT

- **Environment**

There are no environmental issues in relation to this report.

- **Social**

There are no social issues in relation to this report.

- **Broader Economic Implications**

There are no broader economic implications in relation to this report.

- **Culture**

There are no cultural issues in relation to this report.

- **Governance**

There are no governance issues in relation to this report.

COUNCIL BUDGET IMPLICATIONS

The budget implications are contained within the main report.

RELATED COUNCIL POLICY

2012 Bowral Parking, Traffic and Transport Strategy

CONCLUSION

This report provides an over-arching account of the Station Street Upgrade project, including the project history, the current direction of Council and the significant challenges which would need to be addressed for the project proceed.

The report provides direction on the necessary resolutions which would need to be adopted by Council to not proceed with the proposed works program.

ATTACHMENTS

There are no attachments to this report.